

inherent in the size of investment required and the laws of supply and demand are the most effective regulators in any event.

(e) Leases should contain appropriate force majeure provisions allowing a suspension of obligations in the event of unusual occurrences.

It is our hope that you will proceed at the earliest possible time to declare as your policy the program herein suggested. We shall be glad to meet with your representative to discuss our suggestions in more detail and intend to participate in any public hearings you may choose to hold.

Respectively submitted,

JOHN A. LOVE,
Governor of Colorado.

The CHAIRMAN. Our next witness is Capt. Albert S. Miller, U.S. Navy (retired), former Director, Naval Petroleum and Oil Shale Reserves. We are pleased to have you with us again. Captain, you may proceed in your own way.

**STATEMENT OF CAPT. ALBERT S. MILLER, U.S. NAVY (RETIRED),
FORMER DIRECTOR, NAVAL PETROLEUM AND OIL SHALE
RESERVES**

Captain MILLER. Thank you, Mr. Chairman. Mr. Chairman and members of the committee, my name is Albert Stanley Miller. I am a retired captain of the U.S. Navy. From 1954 to 1960, I was Director, Naval Petroleum and Oil Shale Reserves in the Office of the Under Secretary of the Navy, the same position that Captain Moore now holds. During my tenure of office, I became greatly interested in oil shale as a potential source of energy for national defense purposes. It was my thought that an oil shale industry, no matter how small, should be developed in order that, in time of need, the "bugs" of the processing of the oil shale into oil would be ironed out and the perfected process would be available for use by the armed forces. Thus, we would avoid the fiasco which took place at the outbreak of World War II when a crash program came into being to produce synthetic rubber.

Since my retirement from the Navy on June 30, 1960, I have become a consultant in private industry, and I have tried to follow the efforts to develop an oil shale industry. At this point, I would like to observe that, as a former Director, Naval Petroleum and Oil Shale Reserves, I concur heartily in what has been said here yesterday by Captain Moore as to the need for a viable oil shale industry for our national security and economic development. The members of the committee will recall that the same basic position was set forth at your 1965 hearings by Capt. K. C. Lovell, who was my successor in office.

Now I would like to make a few comments on the program of the Department of Interior which is before you.

First, the Secretary speaks, in point 3 of his press release of January 27, of a two-step leasing program. The first part would be, in the Secretary's words, "Access to necessary acreage of oil shale lands for testing purposes." Then, and only then, would "larger tracts for commercial development" be made available.

Mr. Chairman, several companies have pioneered, at their own expense and on private lands, oil shale development. They should have the answer to this question: Is this announced two-step leasing procedure a fixed pattern which must be followed by everyone, one step